

SPECIAL MEETING

CHEVY CHASE, MD, JULY 15 – 18, 2011

FIRST SESSION

The meeting convened at 9:00 a.m. on Saturday, July 16, 2011. Board members present were Rodney Richmond, Larry R. Kinneer, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens and General Counsel Robert Molofsky, and Executive Assistant to the International President Lauri Straughan.

Further, in attendance were Dan Glusica and Charlie Corrado, Employee Benefits Group, Inc., advisors to the International on health insurance plans and Romil Aparentado, account consultant with CareFirst/BlueCross BlueShield. Also attending as a special guest was Larry Cohen, international president of the Communications Workers of America.

INTRODUCTORY REMARKS BY INTERNATIONAL PRESIDENT HANLEY

International President Hanley reviewed the agenda for the special three-day meeting with the Board.

Thereafter the international officers and board members engaged in an extensive discussion of these issues and activities, including effective implementation strategies. Specific suggestions on expanding Canadian local union training, enhanced seminars on local union administration, leadership communications, and the expanded use of web-based training modules were considered.

PRESENTATION ON ATU HEALTH CARE BENEFITS, COSTS AND INSURANCE ALTERNATIVES

At the request of the international executive officers, Employee Benefits Group, Inc. provided a detailed overview and summary of their months-long effort to analyze the costs of ATU's current health insurance program provided by CIGNA, and identify potential cost savings measures or alternative benefit providers that would measurably reduce the International's rising health insurance costs, while providing comparable benefits to covered participants.

Based on their analysis of numerous carriers, Dan Glusica and Charlie Corrado provided the Board with an extensive report comparing the cost of the CIGNA medical insurance plan with Carefirst BlueCross and Blue Shield, and recommended the Carefirst Plan as the best option to control costs while maintaining comparable coverage. Under their proposal, ATU's dental and life insurance benefits would remain with CIGNA and Spectera would continue to cover vision benefits.

The board members then engaged in an in-depth discussion with the consultants to better understand the advantages of switching to CareFirst and the changes resulting from a switch. Board members were provided with detailed charts and examples to evaluate the new program.

PRESENTATION BY CWA INTERNATIONAL PRESIDENT LARRY COHEN

CWA International President Larry Cohen made a presentation to the international officers and general executive board members on the state of the American labor movement. He highlighted CWA's expanding efforts to develop campaigns at the community, statewide and national levels with other international unions and allies in the civil rights movement and environmental community. He commended ATU for its new direction and encouraged the Board to continue its broad-based efforts to more directly involve the International and ATU locals in these campaigns.

MOTION TO APPROVE CONTRACT WITH CAREFIRST BLUECROSS/ BLUESHIELD AS HEALTH INSURANCE CARRIER FOR ATU OFFICERS, EMPLOYEES, RETIREES AND FAMILIES

Upon motion duly made and seconded the General Executive Board approved changing ATU's medical insurance carrier from CIGNA to CareFirst BlueCross/BlueShield effective October 1, 2011. Dental and life insurance benefits will remain with CIGNA and Spectera will continue to cover vision benefits.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Sunday, July 17, 2011.

SECOND SESSION

The meeting convened at 9:00 a.m. on Sunday, July 17, 2011. Board members present were Rodney Richmond, Larry R. Kinnear, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens and General Counsel Robert Molofsky, Executive Assistant to the International President Lauri Straughan, David Roscow, assistant to the president for communications, and Paul Fitzgerald, deputy director of communication.

Also in attendance was Ron Blackwell, chief economist of the AFL-CIO.

COMMUNICATIONS DEPARTMENT REPORT

David Roscow, assistant to the president for communications and Paul Fitzgerald, deputy director of communications, reported to the Board on the recent

activities of the newly expanded department, which also included Shawn Perry, director of communications. David Roscow outlined the department's new capabilities and priorities, including an aggressive new public relations and media outreach program.

He described ATU's expanded capacity to engage in strategic communications efforts, including timely-issued press releases and statements, talking points, policy statements, and media training of both International and local unions. Roscow highlighted recent efforts to draw attention to ATU's efforts to amend the FLSA with the issuance of its "Sudden Death Overtime" report, and the forthcoming "Red-X" campaign to draw public attention to the rising crisis in transit funding causing serious service cuts and layoffs in communities throughout the U.S.

Paul Fitzgerald then gave a demonstration on the new and enhanced features of ATU's revamped website. He noted its capacity to showcase streaming video, provide access to Facebook and Twitter among other media sources and the additional information about ATU and its departments.

PRESENTATION BY RON BLACKWELL, CHIEF ECONOMIST, AFLCIO

Ron Blackwell, chief economist for the AFL-CIO, provided the Board with a comprehensive report on the state of the U.S. economy, the factors underlying the fiscal crisis and prospects for recovery. The prime causal factors, he noted, included the Bush-era tax cuts that sharply reduced revenues and the rising costs of fighting three wars, in Iraq, Afghanistan and Libya. Blackwell also explained the Obama Administration's efforts at rescue and recovery, the urgent need to rebuild our infrastructure and invest more broadly in manufacturing, transportation, and education. He urged continued support for such investments as the best options for long-term growth.

MOTION TO TRANSFER REMAINING ATU EFCA FUNDS TO AFL-CIO STATE CAMPAIGNS

Upon motion duly made and seconded, the General Executive Board authorized the international executive officers to notify the AFL-CIO of its approval permitting the transfer of the remaining funds contributed by ATU

to the now dormant employee free choice campaign to support the AFL-CIO's campaigns to fight the rise of anti-labor bills in the states, including legislation depriving public employees of their bargaining rights in Wisconsin, Ohio, Michigan, and New Jersey among other states.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members. The meeting adjourned at 5:00 p.m. to reconvene at 9:00 a.m. on Monday, July 18, 2011.

THIRD SESSION

The meeting convened at 9:00 a.m. on Monday, July 18, 2011. Board members present were Rodney Richmond, Larry R. Kinneer, Javier M. Perez, Jr., Richard M. Murphy, Bob M. Hykaway, Charles Cook, William G. McLean, Janis M. Borchardt, Paul D. Bowen, Kenneth R. Kirk, Gary E. Rauen, Marcellus Barnes, Rafael Rivera, Yvette J. Salazar, Gary Johnson, Sr., Robin West, John A. Costa, and Charles E. Watson. International President Lawrence J. Hanley presided.

Also in attendance were International Executive Vice President Robert H. Baker, Sr., International Secretary-Treasurer Oscar Owens, General Counsel Robert Molofsky and Executive Assistant to the International President Lauri Straughan.

Special guests in attendance were David Feinstein, Cheiron Inc., actuary for the ATU Pension Plan for International Officers, Staff and Employees (ATU Pension Plan) and Sharon Goodman, counsel to the Pension Plan.

REPORT ON THE FINANCIAL STATUS OF ATU PENSION PLAN FOR INTERNATIONAL OFFICERS, STAFF AND EMPLOYEES

David Feinstein, actuary for the ATU Pension Plan, reported on the findings and conclusions reached based on his firm's recent actuarial review of the Pension Plan. He discussed multi-year funding obligations by ATU to insure compliance with the federal funding guidelines and the current trajectory of rising contributions necessary to sustain the plan based on its current provisions and benefits.

He then presented a series of options for consideration by the Board, including modifications to the plan's supplemental benefit provisions, which if adopted would measurably reduce ATU-required contributions. Thereafter, members of the Board engaged in a full discussion of the alternatives presented, amplified by explanations provided by Sharon Goodman, counsel to the Plan.

MOTION TO APPROVE AMENDMENTS TO THE SUPPLEMENTAL BENEFIT PROVISIONS OF THE ATU PENSION PLAN FOR INTERNATIONAL OFFICERS AND EMPLOYEES

Upon motion duly made and seconded, the General Executive Board approved amending Section 5.1 of the ATU Pension Plan to "phase out, effective January 1, 2012, the Supplemental Benefit for active participants for future years of service under the Plan by a "wear-away". Current retirees and terminated vested participants are not affected by this change.

The Board also approved a motion duly made and seconded to authorize the ATU Pension Plan trustees to submit to the Internal Revenue Service for review, a second amendment to Section 5.1, proposing to end the supplemental benefit for current as well as future retirees and if approved to act thereon.

MOTION TO ELIMINATE BENEFIT OFFSET FOR INTERNATIONAL OFFICERS AND EMPLOYEES INELIGIBLE TO RECEIVE RAILROAD RETIREMENT BENEFITS FOR ALL WORK PERFORMED FOR THE UNION

Upon motion duly made and seconded, the General Executive Board approved amending Section 5.12 of the ATU Pension Plan to eliminate for participants who retired on or after October 1, 2006, the offset for international officers and employees not eligible to receive Railroad Retirement benefits for all work performed for the Union.

LEGAL DEPARTMENT REPORT

General Counsel Robert Molofsky reported on

recent legal and legislative developments, including continuing ATU efforts to respond to state attacks on public employee collective bargaining rights through enforcement of the Section 13(c) rights and agreements. The Board was updated on the status of the Section 13(c) “carryover” rights campaign involving Local 1091(Austin, TX) and employees of Startran, the city’s private nonprofit service provider.

GENERAL DISCUSSIONS

The remainder of the day was devoted to discussions between the international officers and board members.

The meeting adjourned sine die at 5:00 p.m.